

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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GAIN Report Number:

China - Peoples Republic of

Post: Beijing ATO

Amazon China Launches Direct Sourcing

Report Categories:

Agricultural Trade Office Activities

Export Accomplishments - Events

Export Accomplishments - Other

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Report Highlights:

On December 20, ATO launched a major online promotion with Amazon.CN. The event introduced a wide number of new U.S. food products and netted substantial sales.

Amazing Amazon.cn:

On December 20, ATO/Beijing launched a three week promotion with Amazon.cn, the Chinese counterpart to Amazon.com. This was the first major collaboration with Amazon.cn, featuring roughly 1,000 SKUs of U.S. products. Roughly 100 SKUs were sourced through Amazon's new direct-sourcing operation, which purchases and consolidates containers in the U.S. for shipping to China. ATO's participation in this event was funded through the CSSF.

Agricultural product sales under the e-commerce category have developed quickly over the past two years. Although agricultural products only accounted for 2% of total e-commerce sales in 2012 the growth rate was over 100% with fresh products climbing more than 300%. Customers used to purchase mainly electronics and books online, but in today's market more and more customers are shopping for food online. Amazon is the third largest e-commerce player in China in terms of sales after Tmall and JD.com.

Directly sourced products were highly popular during the event with nuts and holiday candy in particular demand. Demand for some nut products was so high that they sold out before the end of the event, and Amazon.cn has re-ordered from US manufacture. Of the more than 1,000 SKU products offered during the event over 150 were new-to-market items. Total sales were greater than \$300,000 and up by 20% on average. More than 51 media outlets reported on the event including 1 newspaper and 50 online media.